

EXCLUDED SERVICES NOT COVERED UNDER THE HAWAII EMPLOYMENT SECURITY LAW

Employers who hire one or more individuals and/or who do business in Hawaii may be subject to coverage under the Hawaii Employment Security Law with the following exclusions:

- Agricultural labor if the employer paid less than \$20,000 total cash wages during each calendar quarter in both the current and the preceding calendar years and if the employer had in each of the current and the preceding calendar years (1) nine employees or less performing agricultural labor in any one calendar week, whether or not the same individuals did such labor in each week, or (2) 19 calendar weeks or less, whether consecutive or not, in which agricultural labor was performed by the employees. (Weeks of employment in the current and the preceding years cannot be combined when determining coverage.)
- Domestic service performed for a person who paid cash remuneration of less than \$1000 to all individuals employed in any calendar quarter in the current or preceding calendar year.
- Casual labor not in the course of employer's trade or business, earning less than \$50 per quarter and working less than 24 days per quarter in the current or preceding calendar quarters.
- Service of one or more employees for less than 20 weeks in the current or preceding calendar year on a fishing vessel weighing 10 net tons or less. (Weeks of work in the current and preceding years cannot be combined to meet the 20 weeks of employment.)
- Family employment (parents, spouse, or children under 21 years of age).
- Employment with federal or other state governments.
- Service by workers for nonprofit organizations earning less than \$50 per quarter.
- Service by ordained members of a church.
- Service by regularly enrolled students for a school, college, or university, and by a student enrolled in a full-time program at a nonprofit or public educational institution which combines academic instruction with work experience (school to work).
- Service for a foreign government.
- Service by student nurses and interns.
- Service by insurance agents remunerated solely on commission basis.
- Service by individuals under 18 years of age delivering newspapers.
- Service by enrollees in Job Corps and Neighborhood Youth Corps programs and Volunteers in Service to America under the Federal Economic Opportunity Act of 1964.
- Service by a registered travel sales representative remunerated by way of commission.
- Service by a vacuum cleaner salesperson remunerated solely by commission.

- Service by real estate agents remunerated solely on commission basis.
- Service by family members who each own at least 50% of the shares of a family-owned corporation. Employers, however, should consider the following before electing the exclusion: (1) the exclusion is irrevocable for five (5) years; (2) employees are not eligible for unemployment insurance benefits if the business closes; (3) the employer remains liable for Federal Unemployment (FUTA) Taxes which may be higher because the employer would not be eligible for the 5.4% FUTA tax credit provided to covered employers.
- Service by a direct seller as defined in section 3508, Internal Revenue Code of 1986, as amended.
- Employment in Hawaii's State and local governments is covered for benefit payment purposes. Unless the State or county government has elected to pay contributions, they must make quarterly advance payments on a dollar for dollar basis to finance benefits paid to their former employees.
- American citizens performing services for American employers outside the U.S.A. are covered.
- Services performed by an election official or election worker as defined in section 3309(b)(3)(F) of the Internal Revenue Code or 1986, as amended.